

VZCZCXRO6220
PP RUEHLMC
DE RUEHLM #0754/01 1450345
ZNR UUUUU ZZH
P 250345Z MAY 07
FM AMEMBASSY COLOMBO
TO RUEHC/SECSTATE WASHDC PRIORITY 6113
INFO RUCPDO/USDOC WASHDC
RUEHNE/AMEMBASSY NEW DELHI 0998
RUEHKA/AMEMBASSY DHAKA 0138
RUEHIL/AMEMBASSY ISLAMABAD 7119
RUEHKT/AMEMBASSY KATHMANDU 5214
RUEHGP/AMEMBASSY SINGAPORE 5693
RUEHCG/AMCONSUL CHENNAI 7705
RUEHLMC/MILLENNIUM CHALLENGE CORPORATION

UNCLAS SECTION 01 OF 02 COLOMBO 000754

SIPDIS

SIPDIS

STATE FOR SCA/INS, EB/TPP/IPE C LACROSSE
MCC FOR S GROFF, D TETER, D NASSIRY AND E BURKE

E.O 12958: N/A

TAGS: [ECON](#) [ETRD](#) [KIPR](#) [CE](#)

SUBJECT: PROJECT PROPOSALS, 2007 IPR ENFORCEMENT TRAINING FUNDS
PROGRAM, SRI LANKA.

REF: SECSTATE 55928

11. SUMMARY: Post is pleased to submit a proposal to obtain funds to conduct three IPR law enforcement training sessions for magistrates and customs officials at a total cost of USD 16,500. The training sessions will repeat as well as expand a highly successful workshop recently developed by the American Chamber of Commerce of Sri Lanka. The objective will be to enhance the enforcement capacity of judges of the magistrate courts which have criminal jurisdiction over IPR violations and the Sri Lanka Customs.
End Summary

BACKGROUND

12. U.S. companies in Sri Lanka experience problems due to Intellectual Property Rights (IPR) piracy of music, software, movies, clothing, pharmaceuticals and personal care products. For instance, Sri Lanka exports USD 3 billion worth of apparel annually. Most of these garments are branded apparel owned by US companies. Counterfeit apparel products are commonly available at retail outlets, and occasionally found in export cargo. Another glaring example of IPR violations is the easy access to pirated software, music CDs and movie DVDs. Most of the rights holders are now playing a pro-active role and have formed an IPR working group under the auspices of the American Chamber of Commerce (AmCham). The group has drawn attention of the government of the importance of IPR protection. The group launched a high profile public awareness campaign on Intellectual Property Rights and organized a seminar recently for magistrates, the judicial officers in Sri Lanka authorized to rule on IPR cases.

13. Although there are sufficient laws to protect IPR, the importance of IPR is not well understood by enforcement officials from police and Customs to the judicial ranks. For example, when judging IPR pirates guilty, judges frequently awarded damages insufficient to discourage repeated offenses.

SUCCESS STORY - SEEKING FURTHER SUCCESS

14. AmCham, in collaboration with the National Intellectual Property Office (NIPO), conducted a basic IPR enforcement training program for a group of 35 magistrates in February 2007. This was the first formal IPR training received by Sri Lankan magistrates since introduction of a new IPR law in 2003. The trainers included senior judges as well as private sector rights holders. The workshop covered criminal sanctions, civil litigation and appropriate procedural processes. It highlighted the socio-economic costs of IPR violations. The workshop concluded with a collective accord by

the magistrates to be stringent in enforcing Sri Lankan IPR laws. One member of the AmCham working group reported a significant increase in the size of fines magistrates gave to IPR violators following the training.

PROPOSAL

¶5. We propose to repeat and expand the above training program: to run (a) a basic training in IPR law enforcement for magistrates who didn't attend the initial training, (b) a basic IPR enforcement training for Sri Lanka Customs officials, and (c) a two day advanced training course for magistrates who have undergone the basic training. The programs will be held in Colombo, Sri Lanka. The Director General of the National Intellectual Property Office, Customs officials, senior judicial officials and industry specialists will address the seminars. We propose to invite a resource person from the USPTO for the advanced workshop for magistrates. These proposals have the full support of the National Intellectual Property Office, which will liaise with the Chief Justice, the Judges' Institute and Sri Lanka Customs. The seminars will be organized by the AmCham.

Total Cost for three programs: USD 16,500

a) One day basic IPR training for magistrates: cost USD 2,300.
--No of participants (trainees and trainers): 40
--Conference hall/equipment hire: USD 900 (note: USD 20 per participant)
--Travel allowance for participants (who live outside Colombo): USD 1,200
--Training material: USD 200

b) One day basic IPR training for Customs officials: USD 1,800

COLOMBO 00000754 002.2 OF 002

--No of participants (trainees and trainers): 30
--Conference hall/equipment hire: USD 700
--Travel allowance for participants: USD 900
--Training material: USD 200

c) Two day workshop on advanced IPR enforcement methodology for magistrates: USD 12,400 including USPTO resource person. (USD 3,400 without a USPTO resource person)
--No of participants (trainees and trainers): 30
--Conference hall/equipment hire: USD 1,400
--Travel allowance for participants: USD 1,800
--Training material: USD 200
--Cost (air ticket, hotel and per diem) of USPTO resource person: USD 9000

PROJECT EVALUATION METRICS

¶7. The proposed project meets the metrics listed reftel in the following manners:

--Targeted to U.S. priorities: The U.S. runs a USD 1.9 billion trade deficit with Sri Lanka. The USG is interested in increasing U.S. exports to Sri Lanka. Protection of IPR to promote economic growth and prosperity has been a Mission Performance Plan goal during the past several years. The project is aimed at ensuring U.S. exports are not impeded by intellectual property theft. The proposal will synergize resources: AmCham, the Government of Sri Lanka's National Intellectual Property Office, Sri Lanka Customs, and the Judges' Institute will be implementing partners.

--Strong support of host government entity: The Government of Sri Lanka requested USG support for IPR enforcement and trade capacity building during bilateral trade talks under the U.S.-Sri Lanka Trade and Investment Framework Agreement in November 2006. The government's National IPR Office strongly supports the project proposal and has undertaken to liaise with the Chief Justice, the Judges' Institute and Sri Lanka Customs to facilitate program. The head of the National IPR Office will also participate as a resource person.

--Address key gaps in Sri Lanka's strategy to improve IPR

enforcement: Sri Lanka passed a new IPR law in 2003. However, enforcement has been spotty due to lack of enforcement training. Under the new law, Magistrate Courts have criminal jurisdiction over IPR claims, issue search warrants and hear cases. There are about 200 magistrates in Sri Lanka. With the exception of the 30 magistrates in the initial training program, the magistrates have not been trained in IPR law since its passage in 2003. They are generally unaware of the IPR law and the nature of IPR violations. Most have limited understanding of the economic and social impacts of counterfeit trade. Customs officials also play a key role in combating IPR.

--Capacity to make near term, measurable success with clear benchmarks: After the first training for magistrates, AmCham and the National IPR Office report higher fines in IPR cases. The National IPR Office and the Amcham IPR group are committed to follow-up on the workshop to ensure the desired goals are met.

--Strong oversight and accountability measures: The Embassy works frequently with AmCham programs. The current AmCham executive director has demonstrated during his two years in office an ability to plan and deliver clear-cut, well presented programs. The implementation of this program will be consistent with this tradition. One of Embassy's Economic Officers, who sits on the AmCham Board, will be designated to review accounting for these seminars and ensure that the program is implemented. Embassy will report on the seminars as they take place.

18. COMMENT: With a relatively small amount of funding, we anticipate seeing significant results. This grant envisions expanding upon an already effective one-time program. It will enable more Sri Lankan judicial and law enforcement officials to understand Sri Lankan IPR laws and its importance to their own nation.

BLAKE